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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
LEHMAN BROTHERS HOLDINGS INC., et al.,	: Case No. 08-13555 (JMP)
Debtors.	: (Jointly Administered)
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**DECLARATION OF JEFFREY FITTS IN SUPPORT  
OF MOTION PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE FOR  
APPROVAL OF THE TERMINATION OF THE SASCO 2008-C2 SECURITIZATION**

Pursuant to 28 U.S.C. § 1746, I, Jeffrey Fitts, declare:

1. I am a Managing Director with Alvarez & Marsal Real Estate Advisory Services (“A&M”). I submit this declaration (the “Declaration”) in support of the *Motion Pursuant to Section 363 of the Bankruptcy Code for Approval of the Termination of the SASCO 2008-C2 Securitization* [Docket No. 17130] (the “Motion”)<sup>1</sup> filed in the above-referenced chapter 11 cases of Lehman Brothers Holdings Inc. (“LBHI”), Lehman Commercial Paper Inc. (“LCPI”) and their affiliated debtors, as debtors in possession (together, the “Debtors” and collectively with their non-debtor affiliates, “Lehman”).

2. I have more than 19 years of experience in assisting insolvent and troubled companies, with a focus on operational and financial restructuring efforts. Prior to joining A&M, I

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

was a Managing Director with GE Commercial Finance (“GE”), where I led GE’s Distressed Debt and Alternative Investment Group and managed complex distressed credits. Before joining GE, I was with the Corporate Workout Division (IRM) of Citicorp, where I spent three years managing investment grade and middle market corporate workouts. I began my career in 1990 as a workout officer and, later, an asset manager with Citicorp Real Estate, where I managed more than \$1 billion of office, retail, and industrial projects. I received a bachelor’s degree from the University of Delaware in 1988.

3. I was assigned to the representation of Lehman in September 2008. I currently serve as the Co-Head of Lehman’s real estate group (the “Real Estate Group”). My primary responsibility as Co-Head of the Real Estate Group is day-to-day management and oversight of Lehman’s real estate portfolio, including management and oversight of the real estate, real estate finance and related activities that are the subject of the Motion and this Declaration. As Co-Head of the Real Estate Group, I oversee a number of Lehman employees who have been actively involved in finalizing the terms of the transactions described in this Declaration and in the Motion.

4. I submit this Declaration in support of the Motion. I have reviewed a copy of the Motion, and I adopt the representations contained therein, as if set forth in full and at length in this Declaration.

5. It is my business judgment that the transactions set forth in the Motion, including the termination of the SASCO securitization and the payments to Wells Fargo, the Servicer and TriMont included the Termination Agreement are in the best interests of LBHI, LCPI and their respective estates and creditors.

#### **The Termination of the SASCO Securitization**

6. As a result of my responsibilities managing the Debtors’ real estate assets, I have become familiar with the SASCO securitization. As of April 2011, SASCO holds

participations in 29 loans or equity interests related to commercial real estate, for which either LBHI or LCPI is the lender of record. LCPI is the holder of Notes issued by SASCO with an outstanding amount of approximately \$433.7 million as of April 2011, and all of the Preferred Interests issued by SASCO. LBHI is the holder of Notes issued by SASCO with an outstanding amount of \$1.048 billion as of April 2011.

7. I have determined that the termination of the SASCO securitization in the manner set forth in the Termination Agreement and the Motion will enable LBHI and LCPI to more effectively manage the Underlying Assets by eliminating restrictions on the management and/or sale of the Underlying Assets. In addition, the termination of the securitization will save the estates the costs and expenses of paying Wells Fargo, the Servicer and TriMont fees and expenses in the future for servicers performed in connection with the SASCO securitization. For example, for the month of April 2011, expenses were \$1.8 million, including over \$200,000 in fees to Wells Fargo, the Servicer and TriMont.

8. The agreement by LBHI and LCPI to pay, *pro rata* in proportion to their current holdings of the Notes, the amounts owed to each of Wells Fargo, the Servicer and TriMont is necessary in order to terminate the SASCO securitization. Currently, such fees and expenses are paid by SASCO out of the proceeds of the Underlying Assets prior to SASCO making any distributions to LBHI and LCPI. Therefore, the payment of the fees and expenses are currently paid out of LBHI's and LCPI's interests in the proceeds of the Underlying Assets. LBHI and LCPI will recoup such payments from the proceeds received by SASCO from the Underlying Assets in the future. The payment of such fees and expenses is minimal compared the benefits LBHI and LCPI will receive from the termination of the SASCO securitization.

9. As Co-Head of the Real Estate Group, I have concluded, in my considered business judgment and based on my review of pertinent documents and discussions with my colleagues, that the termination of the SASCO securitization, including the payment of the fees and expenses of Wells Fargo, Wachovia and TriMont are in the best interests of LBHI, LCPI and their estates.

10. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

Executed on this 25th day of May, 2011.

/s/ Jeffrey Fitts  
Jeffrey Fitts